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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/825,182	04/16/2004	David M. Brickman	9575-012-23	8293

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EXAMINER	
MERCHANT, SHAHID R	

ART UNIT	PAPER NUMBER
3692	

MAIL DATE	DELIVERY MODE
06/19/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/825,182	BRICKMAN ET AL.	
	Examiner	Art Unit	
	SHAHID R. MERCHANT	3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *28 April 2008*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-27* is/are pending in the application.

4a) Of the above claim(s) *12 and 24* is/are withdrawn from consideration.

5)☒ Claim(s) *2,3,5-9,14,15 and 17-21* is/are allowed.

6)☐ Claim(s) _____ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Status of the Claims

1. This action is in response to the amendment filed on April 28, 2008.

- Claims 1-27 are pending.
- Claims 12 and 24 have been cancelled.
- Claims 1, 2, 4, 7, 10, 13, 14, 16, 18, 22 and 25 have been amended.

Response to Arguments

2. Applicant's arguments with respect to claims 1, 10, 13, 22 and 25 have been considered but are moot in view of the new ground(s) of rejection.

3. Examiner notes that previous Office Action dated February 14, 2008 under the heading ***Allowable Subject Matter*** contained an error. Claim 26 was entered in error.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-11 and 25-27 are rejected under 35 U.S.C. 101 based on Supreme Court precedent, and recent Federal Circuit decisions, a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88

(1876). The process steps in claims (1-11 and 25-27) are not tied to another statutory class nor do they execute a transformation. Thus, they are non-statutory.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims 1, 4, 10, 11, 13, 16, 22, 23 and 25-27 rejected under 35 U.S.C. 103(a) as being unpatentable over Oppenheimer et al., U.S. Patent Application Publication 2004/0128230 (see PTO-892, Ref. A) in view of Baker, U.S. Patent No. 6,336,103 (see PTO-892, Ref. B).

8. As per claim 1, Oppenheimer teaches the method of structuring a performance-based participation certificate contract, comprising the steps of:

identifying a pool of assets;

identifying parameters for the assets;

establishing a guarantee fee for a security

identifying a manner of securing the guarantee fee for the contract;

issuing the security reflecting the parameters of the assets; and

resetting the guarantee fee for the security, based on realized performance of the assets, once every predetermined time period (see paragraphs 4, 24, 31, 51, 52 and 104).

Oppenheimer does not explicitly disclose measuring performance of the assets using a performance index.

Baker disclosures measuring performance of the assets using a performance index (see column 3, lines 55-67 and column 4, lines 1-42).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Oppenheimer and Baker to measuring performance of the assets using a performance index because it allows an entity to meet future liabilities rather than just achieving high return on assets as taught by Baker (see column 1, lines 13-49).

9. As per claim 4, Baker teaches wherein the performance index is any publicly observable index that is correlated with credit risk (see column 3, lines 55-67 and column 4, lines 1-42).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Oppenheimer and Baker to utilize a performance index which is correlated with credit risk because it allows an entity to meet future financial liabilities and maintain a proper surplus fund as taught by Baker (see column 1, lines 50-54).

10. Claims 10, 13, 22 and 25 recites similar limitations to claim 1 and thus rejected using the same art and rationale in the rejection of claim 1 as set forth above.

11. As per claim 11, Oppenheimer teaches wherein the assets are multi-family mortgages (see paragraphs 2, 4 and 24).

12. Claim 16 recites similar limitations to claim 4 and thus rejected using the same art and rationale in the rejection of claim 4 as set forth above.

13. Claim 23 recites similar limitations to claim 11 and thus rejected using the same art and rationale in the rejection of claim 11 as set forth above.

14. As per claim 26, Oppenheimer teaches wherein the credit enhancement fee is a guarantee fee (see paragraph 52). The Examiner notes, information identifying type, characteristics, condition, etc. is construed as nonfunctional descriptive material, and is not functionally related to the substrate of the method. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *Cf. In re Gulack, 703 F.2d 1381 , 1385, 217 USPQ 401 , 404 (Fed. Cir. 1983), In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).*

15. As per claim 27, Oppenheimer teaches providing a guarantor with reimbursement for a predetermined amount of initial loss on the performance-based certificate contract (see paragraph 52).

Allowable Subject Matter

16. Claims 2 and 14 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Claims 3 and 5-9 would be allowable based on dependency of claim 2. Claims 15 and 17-21 would be allowable based on dependency of claim 14.

Conclusion

17. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SHAHID R. MERCHANT whose telephone number is (571)270-1360. The examiner can normally be reached on First Friday Off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz P. Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

SRM

/Kambiz Abdi/
Supervisory Patent Examiner,
Art Unit 3692